GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:6236
ANSWERED ON:08.05.2002
MARGIN MONEY SCHEME
SULTAN SALAHUDDIN OWAISI

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that Khadi and Village Industries Commission is implemented margin money scheme in the country;

(b) if so, the details thereof;

(c) the different slabs the Government are providing funds for setting up industries in rural areas;

(d) the total fund as margin money provided to Andhra Pradesh during the last three years; and

(e) the number of proposals from Andhra Pradesh pending with the Government under this and time by which these are likely to be cleared?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

(a): Yes, Sir.

(b) & (c): The Khadi and Village Industries Commission (KVIC) isimplementing the Rural Employment Generation Programme throughout the country for setting up agro and rural industries. Under this scheme the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs. 10 lakhs and for the project above Rs. 10 lakhs and upto Rs. 25 lakhs, rate of margin money is 25% of Rs. 10 lakhs plus 10% on remaining cost of the project. Inthe case of SC/ST/ OBC/Women/ Physically Handicapped/Ex-Servicemen and Minority Community beneficiary / institution and for hillborder and tribal areas, North Eastern Region, Sikkim, Andaman & Nicobar Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs but above this amount and upto Rs. 25 lakhs it is 10% of the remaining cost of the project. Under this scheme, the beneficiary is required to contribute a minimum 10% of the project cost. In case of SC/ST and other disadvantagedsections, beneficiary`s contribution is only 5% of the project cost. This scheme is being implemented through Public Sector banks, Regional Rural Banks etc.

(d): The total funds provided as Margin Money to Andhra Pradesh during the last three years are given as under:

Year	1999-2000	2000-2001	2001-2002(upto 30.11.2001)
(Rs. in crore)	2.17	4.76	4.25

(e): Since REGP financing is done by the banks directly no proposal comes to the Central Government for any approval/sanction.